



MAMUSA INDIGENT POLICY

2020/2021

FREE BASIC SERVICES

INDIGENT SUPPORT POLICY

MAMUSA LOCAL MUNICIPALITY

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2. ACRONYMS USED IN THIS POLICY

CDWs	Community Development Workers
CFO	Chief Financial Officer
DEAT	Department of Environmental Affairs and Tourism
DME	Department of Energy
DM's	District Municipalities
DLGTA	Department of Local Government and Traditional
DPLG	Department of Local Government
DWA	Department of Water Affairs
EPWP	Expanded Public Works Programme
MFBS	Municipal Free Basic Services
FBE	Free Basic Electricity
FBSan	Free Basic Sanitation
FBW	Free Basic Water
FBAE	Free Basic Alternative Energy
FTL	FBS Technical Leader
FTT	FBS Technical Team
IDP	Integrated Development Plan
LED	Local Economic Development
M&E	Monitoring and Evaluation
MIG	Municipal Infrastructure Grant

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MM	Municipal Manager
NERSA	National Electricity Regulator
NT	National Treasury
PT	Provincial Treasury
SALGA	South African Local Government Association
DESOC	Department of Social Development
STATS SA	Statistics South Africa
WSA	Water Service Authority
WC	Ward Committee
ISP	Indigent Support Policy
MS	Municipal Services
FBS	Free Basic Services

3.

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3.1

VISION

The Mamusa Local Municipality
together with the
community strive to create a
balanced integrated and sustainable environment
through socio-economic upliftment,
the promotion of economic opportunities,
growth and job creation and the improvement
of access to affordable infrastructure and social services
to be shared by all in a
healthy and safe environment.

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3.2

MISSION

Mamusa Local Municipality is committed to provide basic services in an affordable manner to its people by:

- Providing and maintaining affordable services to communities.
- Promoting social and economic development.
- Ensuring the efficient and effective utilization of all available resource, and
Ensuring that there is effective community participation in the provision of municipal services.

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4. Introduction

As a developmental institution, Mamusa Local Municipality is committed in supporting measures that assist and empower its community. It is accepted that large sections of the community cannot exist without intervention and it is therefore the duty of the municipality to support and to ensure that citizens are able to access their constitutional right to have access to a basic level of services.

The municipality must therefore at all times strive to fulfil the constitutional objectives as contemplated in Section 152 of the Constitution and to meet the criteria for a credible indigent policy as laid down in the Credible Indigent Policy Assessment Framework, 2008, provided by the Department of Local Government.

The successful implementation of this policy depends totally on affordability and the social analysis of the area as should be included in the municipality's Integrated Development Planning, with regard to affordability the foundation is laid in section 74 of the Municipal Systems Act, 2000, which stipulates that poor households must have access to basic service through tariffs that cover only the operating and maintenance costs.

The municipality therefore adopts an indigent support policy which embodies an indigent support programme not only providing procedures and guidelines for the subsidisation of service charges to indigent households in its area of jurisdiction, but also to increase the quality of life of the beneficiaries by assisting them to exit from indigence.

4.1 PURPOSE OF THIS DOCUMENT

This document is the result of a renewed effort by Mamusa Local Municipality to understand what it means to be indigent and to rapidly improve access to basic services and goods, thereby having a major impact on reducing levels of poverty and specifically the proportion of people who are indigent.

It recognizes the need for inter-governmental co-operation in the process of dealing with indigents but places specific emphasis on the municipal sphere, recognizing the important role local government has in effectively addressing the needs of indigent households

It is also recognized that there are several existing sector-specific strategies and guidelines relating to free basic services which complement this policy, including:

- Free basic water strategy and guideline prepared by the Department of Water Affairs (DWA).
- Free basic sanitation strategy (FBSan.) and guideline also prepared by DWA.

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- Guideline on tariffs for municipal solid waste services prepared by the Department of Environmental Affairs and Tourism.
- Electricity basic support tariff (free basic electricity) policy prepared by the Department of Energy.
- The Municipal Property Rates Act, Act No. 6 of 2004, which provides for zero-rating of low value properties, thereby ensuring that households on these properties gain access to package of public services free.

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5. Definitions

- a) "Child headed household" means a household where both parents are deceased and where all occupants of property are children of the deceased and under the legal age to contract for services;
- b) "Household" means a registered owner or tenant with or without children who reside on the same premises
- c) "Indigent" means any household or category of households, including a child headed household, earning a combined gross income, as determined by the municipality annually in terms of a social and economic analysis of its area, as vested in the municipal policy, which qualifies for rebates or remissions, support or a services subsidy, provided that child support grant is not included when calculating such household income;
- d) "Indigent Management System" an electronic management system applied by other municipalities for the smooth and efficient management of the register of indigent households;
- e) "Municipality" means the list of municipal categories, established in terms of Section 12 of the Municipal structures Act 117 of 1998, and includes any political structure, political office bearer, councillor duly authorized agent or any employee acting in connection with this by-law virtue of a power vested in the municipal council.
- f) "Programme officer" an official duly authorised by the municipality, or an employee of a services provider appointed by the municipality, who is responsible for the following;
 - I. To ensure that applications for indigent support are received and assessed;
 - II. To ensure that applications are captured on the Indigent Management System.
 - III. To ensure that information on applications are verified and that regular audits are executed; and
 - IV. To authorise expenditure with regard to indigent support.
- g) "Occupier" means the person who controls and resides on or control and Otherwise uses immovable property provided that;
 - I. The spouse of the owner of immovable property, which is used by such spouse Or owner as a dwelling at any time, shall be deemed to be the occupier thereof;
 - II. Where both spouses reside on immovable property and one of them is an Occupier thereof, the other shall also be deemed an occupier;
- h) "Indigent register" means the municipal list of indigent customers as per the

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Municipal policy, which has to be updated on a monthly basis, designed to contain all the data contained within completed indigent application forms which contains the following

- i) "Owner" in relation to immovable property means:
 - I. The person in whom is vested the legal title thereto provided that –
 - a. The lease of immovable property which is leased for a period of not less than fifty years, whether lease is registered or not, shall be deemed to be owner thereof, and
 - b. The occupier of immovable property occupied in terms of a service or right
 - c. analogous thereto shall be deemed the owner thereof;
 - II. If the owner is deceased, insolvent, has assigned his or her estate for the benefit of his or her creditors, has been placed under curatorship by order of court or is a company being wound up or under judicial management, then the person in whom the administration of such property is vested as executor, administrator, trustee, assignee, curator, liquidator or judicial manager, as the case may be;
 - III. If the owner is absent from the Republic or if his or her address is unknown to the municipality, then any person who as agent or otherwise receives or is entitled to receive the rent in respect of such property; or
 - IV. If the municipality is unable to determine who such person is, then the person who is entitled to the beneficial use of such property;
- (j) "Premises" includes any piece of land, the external surface boundaries of which are delineated on
 - I. A general plan or diagram registered in terms of the Land Survey Act, 1997 (Act No. 8 of 1997) in terms of the Deeds Registries Act, 1937 (Act No. 47 of 1937);
 - II. A general plan registered in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986), and situated within the jurisdiction of the municipality;
- (k) "Rates" means any tax, duty or levy imposed on property by the Council;

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6. Policy principles

In recognition of the abovementioned National Framework the municipality undertakes to promote the following principles:

- i. To ensure that the Equitable Share received annually will be utilised for the benefit of the poor only and not to subsidise rates and services charges of those who can afford to pay;
- ii. To link this policy with the municipal Integrated Development Planning, Local Economic Development initiatives and poverty alleviation programmes;
- iii. To promote an integrated approach to free basic service delivery; and
- iv. To engage the community in the development and implementation of this policy;

7. Policy objectives

In support of the above principles the objective of this policy will be to ensure the following:

- i. The provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council;
- ii. The financial sustainability of free basic services through the determination of appropriate tariffs that contribute to such sustainability through cross subsidisation;
- iii. Establishment of a framework for the identification and management of indigent households including a socio-economic analysis and the indigent exit strategy;
- iv. The provision of procedures and guidelines for the subsidisation of basic charges and the provision of free basic energy to indigent households;
- v. To ensure co-operative governance with other spheres of government; and
- vi. To enhance the institutional and financial capacity of the municipality to implement the policy.

8. Legislative framework

This policy is designed and implemented within the framework of the following legislation:

i. **The Constitution of the Republic of South Africa, 1996;**

Everyone has the right to have access to-

- a. Health care services, including reproductive health care;
- b. Sufficient food and water; and
- c. Social security, including, if they are unable to support themselves and their dependents, appropriate social assistance.

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- d. The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of each of these rights.
 - e. No one may be refused emergency medical treatment.
 - f. Chapter 3: Subsidy framework for municipal rates and tariffs
- ii. **The Municipal Systems Act, 2000 (Act 32 of 2000)**
 - a. Section 97(1): Municipality MUST provide in debt collection and credit control debtor policy consistent with rates and tariff policies and national policy on indigents
 - b. Municipal service subsidy policy imperative from above legislation to provide basic municipal services to the poor
 - c. Socio economic realities create inability to pay
 - d. Subsidised services include housing, water, electricity grant
 - e. Must define precisely level of need, services to needy, resources available for targeted subsidies
- iii. The Municipal Finance Management Act, 2003 (Act 56 of 2003);
- iv. The Promotion of Administrative Justice Act, 2000 (Act 3 of 2000);
- v. The Promotion The of Access to Information Act, 2000 (Act 2 of 2000);
- vi. The Property Rates Act, 2004 (Act 6 of 2004).

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9. LIST OF STAKEHOLDERS / KEY ROLE PLAYERS

9.1 At local level:

- Dr. Ruth Segomotsi Mompati District Municipality
- Local Communities
- Ward Committees
- Community Development Workers (CDWs)
- SAPS
- Social Development
- SASSA
- Councillors

9.2 At provincial level:

- Departments of Local Government

9.3 At national level:

- Department of Provincial and Local Government
- Department of Water Affairs
- Department of Minerals and Energy
- The National Treasury
- Statistics South Africa
- SALGA
- ESKOM
- The National Electricity Regulator (NER)

9.4 MUNICIPALITY

Municipality is responsible for the implementation of FBS. Municipality is also responsible for drawing on the support of appropriate implementation

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9.5 LOCAL COMMUNITIES

Communities have a role to play as well. It is the responsibility of the community to inform their municipality of faulty systems, provision problems and abuses or misuse of the services. The community can take the initiative to make the municipality aware of their service delivery needs

9.6 WARD COMMITTEES and CDWs

Ward Committees are made up of community representatives and as such can act as information routes between communities and municipalities. Most importantly, ward committees can help to identifying indigents within the relevant community and assist with the development and rolling out of municipal indigent policy. Ward committees allow the municipalities FBS and Indigent policy efforts to be seen as credible efforts by the communities.

9.7 COUNCILLORS

Council of the Mamusa Local Municipality has a significant role to perform in ensuring the successful implementation of the ISP. To ensure that the application should be done and submitted to an official who is responsible for FBS. In addition to ensuring that the information regarding the benefits available in terms of the ISP is disseminated to the communities within the municipal area, Councilors (in particular ward councilors, Ward Committees and CDWs as representatives of the communities they serve are required to provide an initial screening of the applications received from within their particular ward (after the income verification process has been completed) and recommend/declines their approval.

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10. Targeting of indigent households

For a household to qualify as an indigent, a household should comply with the following requirements:

- a. The applicant must be a resident of the municipality.
- b. The applicant must be eighteen (18) years of age and above.
- c. The total household joint gross income of all occupants or dependents in a single household must be less than two (2) state pension grant income.
- d. The applicant must have a single property (stand), the applicant cannot have two properties registered in his/her name in order to qualify.
- e. All households that are child headed, even if they are below eighteen (18) years of age can apply for the indigent support.
- f. The registered indigent must be either the owner or occupant (tenant) of the property concerned.
- g. All households applying for Free Basic Electricity must have electricity connected to the household.
- h. Subsidies apply to households and not individuals
- i. The onus for applying for indigent subsidy rest with the consumer who cannot afford to pay the full municipal tariff for services received.

10.1 Sources of funding

- i. The council will have to provide funds annually on the budget for the subsidization of indigent households for rates, refuse removal and, electricity.
- ii. The indigent subsidies will have to be financed from the equitable share contribution to the municipality obtained from National Treasury.
- iii. Existing indigent arrears on rates, tariffs and services charges will be written off against the provision for bad debts.
- iv. Indigent households may be required to convert to prepayment electricity meters, the cost of which can be met by the equitable share fund.

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10.2 Qualification criteria

10.2. An indigent application must be done on a specific council application form at service centers designated at their respective areas; the following documentary proof has to accompany the indigent application form:

- i. Applicant's identity document;
- ii. Latest municipal or Eskom account and proof of ownership;
- iii. Documentary proof of total monthly income of the household (e.g. UIF card, salary advice, or letter from an employer)
- iv. A sworn affidavit of the applicant who is not working or unemployed.
- v. If the applicant resides in an informal settlement they should be eligible to qualify and they will be provided with water and refuse removal.
- vi. In the case of small farm, household with less than 20 livestock must produce livestock book
- vii. Beneficiaries of state grants should be regarded as indigents
- viii. If the applicant is not a South African citizen, they must possess a recognized refugee status
- ix. Council / Eskom pre-paid number

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- i. The application forms will be processed and information provided will be assessed and screened by the Free Basic Services Task Team.
 - ii. Verify the correctness of the information provided on the application form.
 - iii. The indigent directorate on recommendations by the Chief Financial Officer
 - iv. Officer will approve or disapprove the submitted application form and also
 - v. As per the indigent policy determine subsidy amount granted.
 - vi. Indigent household must re-apply for the indigent support every (12)
 - vii. months, though state Pensioners and disabled beneficiaries need not to re-apply for the support
- 10.3 The indigent register will be updated annually and the verification process is undertaken through the year for any change of circumstances.
- 10.4 The re-application for indigent support will not be approved if the
- I. consumers account for water and electricity exceeded the free basic services approved by the council is not paid up to date, according to the Credit Control and Debt Collection by-laws.
- 10.5 An indigent customer must immediately request de-registration if his/her circumstances have changed to the extent that he or she no longer complies with the requirements set out in the definition.
- 10.6 All applicants will be informed in writing (Municipal Account) and through
- I. Community meetings about the outcome of their applications, and the
 - II. Validity of the assistance which also included the date of commencement
 - III. And termination of the assistance.
- 10.7 All approved beneficiaries for the indigent support automatically qualify for Free Basic Services.
- 10.8 Alternative water supply (water tanks) will be provided to areas where there is no Infrastructure within the Municipal jurisdiction.
- 10.9 Funds are already allocated to the municipality to fund the implementation of free basic services through the equitable share grant disbursed by the National Treasury to municipalities.

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11. Extent of indigent support

- i. The Local Government Municipal Systems Act 32 of 2003; states that a municipality must ensure that all communities have access to at least minimal basic services, core
- ii. objective of the free basic services programme is vested in section 152 of the South African Constitution which further states that 'local government has to ensure the provision of services is provided in a sustainable and efficient manner, henceforth all the indigent customers within the municipal jurisdiction will benefit from the free basic services subsidy.
- iii. The funding of the free basic services programme comes from the National Treasury in a form of an equitable share grant dispensed to municipalities and the National Department of Cooperative Government and Traditional Affairs is mandated to coordinate the free basic services programme, the National Department of Minerals and the National Department of Water Affairs serves as sector departments to municipalities
- iv. The extent of the monthly indigent support granted to indigent households must be based on budgetary allocations for a particular financial year and the tariffs determined for each financial year.

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12. Free Basic Services Social Package Mamusa Local Municipality provides

12.1 Water and Sanitation.

- a. Approved indigent registered household shall receive fully subsidised water and sanitation to a maximum of 6kl per month, including the basic charges for such supply, provided that;
- b. Where the consumption exceeds 6kl per month the municipality shall be entitled to restrict water supply to the property or to bill the excess consumption used at a normal rate.
- c. Where excessive consumption is partly due to leaking or poor plumbing, the municipality may install a yard connection to the outside of the dwelling and meter the consumption.

12.2 Electricity

- a. Approved Indigent registered household shall receive electricity fully subsidised to a maximum of 50 kWh per month, the free basic services subsidy is also applicable to registered indigent households in rural areas where Mamusa Local Municipality or Eskom is the supplier of electricity.
- b. Free Basic Electricity is being conducted every financial year, in all the nine (9) wards within the municipal jurisdiction, the free basic electricity registration process is conducted in order to maximize the provisioning of free basic electricity roll-out to all the qualifying indigent households.
- c. If an indigent consumer's consumption or use of municipal services is less than the subsidized service or free basic services, the unused portion may not be accrued by the customers and will not entitled the customers cash or a rebate in respect of the unused portion.

12.3 Refuse Removal

- i. Approved indigent households are fully subsidised for refuse removal as provided for in the annual budget, depending on tariff changes annually and the council's resolution every financial year
- ii. Indigent customers are therefore expected to contribute on their accounts for payment

12.4 Property Rates

- a. Approved indigent households are fully subsidised for property rates as provided for in the municipal annual budget and subjected to the provisions of the Municipal Property Rates Act 2006.
- b. Approved indigent households accounts will have the interest indicators flagged.

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12.5 SERVICE LEVELS

- Based on our environment, the following services will be offered by the municipality:

Service Areas	Service Options	Service Level
Free Basic Water		
The municipality will provide FBW according to Strategic Framework For Water Services (SFWS) which was approved in 2003. This framework provides for 25 litres of potable water per person per day supplied within 200m of a household. In the case of communal water points; or 6000 litres of potable water supplied per formal connection per month, in the case of yard or house connections	Communal stand pipes Full pressure prepaid house connection	Basic Full
Free Basic Energy (Electricity)		
An amount of 50KWh per month is the standard allocation for household on the Grid. An allocation of up to R56.29 per household per month is available from the equitable share for alternate forms of energy to support households that are not on the Grid The FBE allocation is	Grid (direct from authority) Non Grid (paraffin, gas and candles) Non Grid (solar)	Intermediate/ Full Below Basic Basic

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deemed sufficient energy to provide basic services for a poor household. This amount of electricity is suitable for basic lighting, powering a small television, radio, basic ironing and cooking		
Waste Removal		
The DEAT has defined 6 levels for waste removal.	No waste is collected by a formal system	Below Basic
Free Basic Sanitation		
	Ventilated Improved Pit Toilet (VIP) Full Water Borne Sewerage	Basic Full

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13. Indigent households in retirement centers and old age homes

- a. The onus will be on the Board of Trustees/Managing Agent (hereinafter referred to as the representative) to apply to the municipality, for indigent status to be granted in respect of water Consumption on behalf of the owners of those units, who meet the criteria and conditions for qualification. Indigent consumers living in retirement centers or old age homes are eligible to qualify for assistance and support in terms of this policy, subjected to the following rules and procedures
- b. The onus will be on the unit owner to apply to the municipality for indigent status to be granted in respect of property rates related charges.
- c. The representative will submit applications to the Chief Financial Officer.
- d. The free basic services sub-directorate will verify all applications and he or she must notify:
- e. The representative, whether an application was successful or not, with regard to the water consumption and electricity; and,
- f. The unit owner whether an application was successful or not, with regard to the property rates and other related charges;
- g. The Chief Financial Officer will credit the monthly municipal charges as;
- h. Water account of the Retirement Centre or Old Age Home with water, electricity where the municipality serves as an electricity provider and sewerage charges, the amount of which will be calculated by dividing the total number of kiloliters of water consumed by the number of units in the complex, but up to a maximum of 6kl of water per day for each unit that qualifies for assistance.
- i. Rates and refuse charges account of the unit owner with the amount determined by the municipality.
- j. The representative must, in respect of monthly water credits allowed under indigent support, ensure that such credits are off-set against the monthly levies of the relevant individual units; such representative also being required, once every six months, or at such intervals as may be determined by the municipality, to provide proof to the Chief Financial Officer that the monthly levies of poor households which qualify for assistance, have been adjusted by the amounts credited to the account of the Retirement Centre or Old age Home.

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14. Communication procedures and Free Basic Services Implementation strategy

14.1 The municipality has developed the draft free basic services communication and implementation strategy in terms of which communities will be informed and educated in order to have a clear understanding of this policy and implementation thereof.

14.2 Regular information dissemination and awareness campaigns will be undertaken and eliminate unrealistic expectations both in terms of qualifying for the free basic services subsidy as well as the services that will be rendered and the qualifying for subsidy as well as service delivery in general and methods of communication that will be used, but not be limited to;

- Ward committees;
- Loudhailing
- Community based organisations;
- Local radio stations and newspapers;
- Municipal accounts;
- Izimbizo's and road shows; and
- Notice boards where government and municipal officials are made available to assist residents with the following certified copies that must be attached;
 - i. Identity document
 - ii. Affidavit

15. Free Basic Services Registration and Institutional Arrangements

- i. The municipality has designated existing staff in all the municipal pay-points,
- ii. And engage properly with the Community Development Workers and Ward Committee members who had been trained and familiar with the municipal by-laws and the government legislative framework that are in line with the South African Constitution Act 108 of 1996,
- iii. The free basic services registration process is being facilitated collectively with the public participation office and ward committees, CDW's and the ward/ PR councillors.

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16. Application/Registration

- a. A person applying for indigent support must complete a formal indigent support application form approved by the municipality. Such forms will be available at approved registration municipal pay points provided by the municipality and shall be dealt with in terms of the policy guidelines.

16.2 Assessment & Screening of Applicants

(a) Upon registration of an application, all information will be captured and verified by the free basic services sub directorate in terms of the procedures vested on the municipal indigent policy and on the indigent National indigent guideline provided by the National Department of Cooperative Government and Traditional Affairs.

(b) The chairperson of the FBSTT who is the chairperson of finance will call the meeting for verification. Every ward will do their own verification during the verification meetings.

Members of Free Basic Services Task Team (FBSTT)

- i. Chairperson of portfolio committee of finance
- ii. All councillors
- iii. Technical Services Director
- iv. Community Services Director
- v. Chief Finance Officer
- vi. FBS Official
- vii. All CDW's (Community Development Worker)
- viii. Official in mayor's office
- ix. Secretaries of Ward Committee

16.3 Recommendation

- a. Once the forms have been captured on the municipal indigent database and verification has been completed the Indigent Management System will generate a recommendation based on the information captured on the database and shall be dealt with in terms of the municipal indigent management system guideline.

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17. Right of appeal

An applicant who is the registered household owner living within the municipal jurisdiction and therefore feels aggrieved by a decision taken in respect of his/her application may lodge an appeal in terms of section 62 of the Municipal System Act 32 of 2000.

18. Free basic services process management

18.1 Applications

With the exception of Property and Zonal Targeting the indigents, free basic service application forms should be completed in full with all the attachments mentioned on the form and then captured onto the indigent register and accounting system will be conducted accordingly against the budgeted amount for free basic services roll-out each financial year.

19. IMPLEMENTING AN INDIGENT SUPPORT POLICY

Mamusa Local Municipality is expected to develop an indigent policy in relation to the specific needs of its Community and its financial standing.

There are six steps that municipality will follow in order to develop and implement indigent policy. They are:

- a) **Planning activities:** A municipality will have a precise understanding of its own capabilities and resources, the extent of the intervention required, as well as the needs of its constituencies
- b) **Institutional arrangements:** The municipality will have formal structures and processes through which indigent policy will be managed
- c) **Communication Activities (Community Participation):** Municipality will leverage the existing communications channel e.g. ward committees, as well as CDWs to explain the purpose and objectives of its indigent policy and MFBS programme
- d) **Indigent application and verification:** Where a municipality requires applications from indigents, a verification process will be necessary.
- e) **Monitoring, Evaluation & Impact Assessment:** It is essential that an indigent policy be monitored and evaluated. Municipality will report back to the provincial and national government on the effectiveness of our MFBS delivery. Impact assessment will be done, as it is an important part of the

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process to determine the extent at which MFBS is making a real impact on the quality of life.

- f) **Exit from indigence:** The ultimate outcome of MFBS is that those who require the relief will eventually experience an improvement in their quality of life. For this to happen, Mamusa Local Municipality will form partnership with other spheres of government, CBOs, and business sectors in regard to the poverty alleviation of indigents.

20. PLANNING ACTIVITIES

20.1 THE ACTORS

Mamusa Local Municipality defines 7 major actors that should be involved in municipal planning to develop and implement the indigent policy, these are:

- a) **The municipal council** will need to commit to providing MFBS, and will need to sign-off on the developed indigent policy
- b) **The municipal manager or MFBS technical lead** will be responsible for managing the planning activities for the indigent policy
- c) **The FBS Task team** should comprise specialists (from within a municipality or drawn from outside a municipality to act on behalf of the municipality) that will develop the municipality's indigent policy. The team should comprise of:
 - **Chairperson of Finance** – To make sure that the meeting of FBSTT takes place for verification.
 - **Chairperson of Infrastructure**
 - **Chairperson of Community**
 - **All Councillors** - will ensure that the Indigent household registered
 - **Office of the speaker** – To assist the chairperson of FBSTT with invitation to councillors.
 - **CFO** - will ensure that the indigent policy is being developed and the associated plans fall within a

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municipality's financial capacity, and that the plans and policy are integrated with the municipality's own financial planning and processes

- **Technical Director** – To address all queries relating to department
- **Community Director** – To reduce levels of poverty through any intake in municipality and also to address all queries relating to department
- **IDP Manager/ PMS** - Manager will need to be involved in the process so that the indigent policy is in line with a municipality's IDP
- **Office of the Speaker** -
- **LED Manager** – To reduce poverty through leaner ship, internship or any other intake by considering Indigent Register.
- **Communication Officer** – Communicate with community.
- **FBS Manager /Official** - Will ensure that indigent's forms are captured.
- **CDW's** - They are actively involved in the community and have sense of who in the community qualifies with the municipality's indigent definition. The CDWs do not have a
- **Ward Committee Members** - need to be involved to support the community participation and buy-in of the municipality's indigent policy and verification of indigent application forms.

21. Validity period

- a. The validity period of assistance will be for the duration that the applicant remain an indigent.
- b. Households, in terms of the audit and review process, will be subjected to scrutiny to determine any changes in status.
- c. All the pensioners and disabled applicants will be carried over to the

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- d. next financial year, hence no re-registration will be conducted to them, only unemployed, employed earning less than the two state pension grant income and the child headed families re-registration will be conducted, as their economical and living status is subjected to change from time to time.
- e. Households may have to periodically re-apply, but this would be determined by the municipality from time to time.

21.1 Death of the Registered Applicant

In the event that the approved applicant passes away the heir/s of the property must re-apply for indigent support, provided that the stipulated criteria are met, as per the municipal indigent policy

21.2 Publication of Register of Indigent Households

The Indigent register after approval will be distributed to all the Municipal pay-points for public perusal

21.3 Arrears and excess usage of allocations

- a. Upon registration as an indigent household, the arrears on the account of the applicant will be kept pending for a period of at least six months after which it may be written off, Interest may be calculated on the arrears as contemplated.
- b. If the applicant exits from the indigent support programme within the six (6) months period the arrears will be re-introduced in the account and will be subject to the credit control and debt collection policy of the municipality;
- c. Where an indigent household exceeds the water consumption level approved by the municipality, the household will pay.

22. Termination of Indigent Support

Indigent Support will be terminated under the following circumstances:

- i. Upon death of the account-holder or the head of the household where no accounts are rendered
- ii. At the end of the (12) twelve months cycle, except in the case of pensioners and disabled.
- iii. Upon sale of the property in respect of which support is granted.
- iv. When circumstances in the indigent household have improved to the extent where the income threshold as determined is exceeded
- v. If the applicant is found to have lied about his/her personal circumstances or has furnished false information regarding indigent status, in which case the following will apply;
 - a) All arrears will become payable immediately;
 - b) Stringent credit control measures will apply; and
 - c) The applicant will not be eligible to apply for indigent support for a period of 2years;

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- vi. Upon death of the indigent, If the indigent had dependents the dependents will need to re-apply for the support as subsidies are not transferable
- vii. When the indigent disposes his /her property
- viii. VIII. When the indigent's circumstances change or the indigent criteria for approval changes to the extent that approval no longer applies
- ix. IX. If the indigent fails to pay the account of his/her consumption or use of a municipal service in excess of the subsidized service or fails to honor any arrangements made by him/her for payment for outstanding accounts

23. Audit and review

(a) The municipality will conduct regular audits of the indigent register with regard to the information furnished by applicants, possible changes in status, the usage of allocations and debt collection measures applied and where necessary review the status of the applicant.

(b) The frequency of such audits will depend on the institutional capacity of the municipality to do so, It is proposed that at least monthly targeted audits and reviews are undertaken, with a completed review scheduled for at least every five (5) years.

24. Exit Program

The proposed exit of indigent's beneficiaries from the approved indigent register would be;

- a. The continuous verification of the register
- b. The involvement of all stakeholders namely, Councilors, Community Development Workers and Ward Committee members
- c. Members of households registered as indigent will be prepared to participate in exit programmes coordinated by the municipality in collaboration with other government departments, stakeholders involved, sector departments and the private sector.
- d. As part of its broader poverty reduction programme the municipality undertakes to provide for the participation and accommodation of indigent persons in its Local Economic Development initiatives and in the implementation of integrated development programmes where possible.
- e. Mamusa Local Municipality will promote exit from indigence by;
 - I. Identifying indigents for inclusion in public works projects;
 - II. Initiating local job creation projects such as cleansing operations, small infrastructure projects etc;
 - III. Facilitation of opportunities to enter the informal trade market;
 - IV. Facilitation of food security projects; and
 - V. Liaison with National and Provincial departments to include indigent customers in their public works programme.

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25. Monitoring and reporting

17.1 The Chief Financial Officer will report monthly to the Municipal Manager via the municipality's Service Delivery and Budget Implementation Plan to enable the Municipal Manager to report to Council and other interested parties such report shall reflect on:

- I. Number of indigent household's applications received;
- II. Amount of subsidy allocated per benefit category;
- III. Amount of debt accumulating and debt recovery information (number of customers, enquiries, default arrangements, growth or diminishing of arrears debtors; ideally divided into wards, domestic, state institutions and other such divisions.
- IV. Performance against targets set in respect of indigent support and poverty relief and in particular with regard to the following:
 - a. Number of applications for indigent support dealt with;
 - b. Time taken to process and finalise applications;
 - c. Site visits undertaken;
 - d. Awareness initiatives; and
 - e. Exit initiatives.
 - f. Changes in the registered status of indigents.

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26. Capacity building

The municipality will ensure that all officials and councillors are appropriately capacitated in Free Basic Services in terms of the following key areas:

- a) Database management
- b) Demand and revenue management
- c) Policy and by-law implementation

27. Conclusion

The granting of an indigent subsidy shall be the sole prerogative of council whose decision shall be final. A free Basic Service policy should be seen as a revenue protection mechanism for Mamusa Local Municipality to protect its revenue; the indigent support policy must be applied consistently.

Political support and community participation is important in implementing the Free basic Services policy.

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MAMUSA LOCAL MUNICIPALITY

INDIGENT APPLICATION FORM

SECTION A: ACCOUNT INFORMATION

FARM NAME :	Date of Application :
Farm Owner :	Erf / Farm/ Plot Address :
Council / Eskom Pre-paid Number :	Ward Number :

SECTION B – TERMS AND CONDITIONS:

- Only households where the total household income is less than the total old age grant received per month by two (2) pensioners in a household may apply for. The maximum old age grant is announced annually in the Budget Speech of the Minister of Finance.
- External verification will be done using the ITC as well as physical audits to confirm that household's financial status. Upon signing of this application, the consumer gives consent to such checks.
- False information or the withholding of information will disqualify anyone from further participation in the subsidy scheme, with the liability of immediate repayment of all allocations received plus interest and the risk of possible criminal proceedings being instituted.
- Should the gross income of a household increase and thereby exceed the approved limit during the subsidy time period (Increases, no longer unemployed), the registered consumer must immediately inform the municipality. Failure to comply could result in the repayment of all allocations plus interest and the risk of possible legal steps being instituted.
- The information contained in this document is not confidential. A list of approved applicants can be handed to councilors for comments, as well as publicly displayed.
- Mamusa Local Municipality reserves the right to collect any outstanding debts on the account by means of the pre – paid services, in a portion not excessive in relation in the purchases made by the accountholder.
- That Mamusa Local Municipality may issue other Free Basic Services via the service provider

I, hereby declare that I am the registered owner/lessee of the above erf and that the said property is inhabited and controlled by me. I further declare that I fully realize that should any of the above information be found to be incorrect or false I shall be responsible for the repayment of any allocation received plus interest, as well as any debt written off, and I acknowledge that legal steps for the fraudulent declaration could be instituted against me. I confirm that I have read, understood and accepted the terms and conditions stated above. I also give my permission that a credit check may be done on my details to determine the validity of my information and that my indigent status may be listed at an ITC institution.

Declared and signed at ----- on the ----- day of ----- 20-----

NAME OF APPLICANT

NAME OF INTERVIEWER

SIGNATURE OF APPLICANT

SIGNATURE OF INTERVIEWER

The application must be accompanied with copies of the applicant

a.Letter of oath **b.**ID Copy **c.** Proof of income

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MAMUSA LOCAL MUNICIPALITY SECTION C: PERSONAL INFORMATION

Surname :	First Name :
Residential Address :	Postal Address
Contact Number/Cell Number	Marital Status : (Mark with an X) Married Single Divorced Widowed Widower
Husband :	Wife :
D D / M M / C C Y Y	Birth Date : D D / M M / C C Y Y
ID Number :	ID Number :
Pension Number	Pension Number :

SECTION D: FINANCIAL INFORMATION Details of Gross Monthly Income (In Rands)

	Husband	Wife	Children living with parents	Other	TOTAL
Salary	R	R	R	R	R
Wage	R	R	R	R	R
Pension : Employer	R	R	R	R	R
Old Age	R	R	R	R	R
Disability	R	R	R	R	R
Foster	R	R	R	R	R
Child Grant	R	R	R	R	R
Board / Rental	R	R	R	R	R
Child Support	R	R	R	R	R
Informal / Casual Monthly	R	R	R	R	R
Other	R	R	R	R	R
Total Gross Monthly Income					R

Do you own or rent property except the one above: YES / NO

DATE

DATE

NAME OF VERIFIER

NAME OF COUNCILLOR

SIGNATURE OF VERIFIER

SIGNATURE OF WARD/PR COUNCILLOR

INDIGENT SUPPORT POLICY



LIST OF ALL RESIDENTS ON PREMIIES

NAMES	NAMES
1.	13.
2.	14.
3.	15.
4.	16.
5.	17.
6.	18.
7.	19.
8.	20.
9.	21.
10.	22.
11.	23.
12.	24.

GENERAL
COMONMENTS OF THE VERIFIER (CONDITIONS, ETC.)

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OFFICE USE ONLY:

SECTION E:

CHECKLIST:

Please Tick

ID Copy	
Proof Of Income	
List Of All Residents on Premises	
Proof Of Pension / Grants	
Proof Of Unemployment OR Sworn Affidavits by applicant	
Latest Municipal Rates and Service Account	
Pre-Paid Electricity Number of Slip	
Have you asked the applicant if He / She has	

Approved		Declined		Dates	
Reason for decline					
Date of feedback to applicant					
Name of Official					